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Russian Federation

Retail Food Sector

Growing Russian consumerism propels retail increases

2006

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Report Highlights:
Russian retail is experiencing a period of mergers and acquisitions, even while it continues to expand rapidly. Grocery retail sales in 2006 will be $80.8 billion, a significant increase from last year. The retail sector is growing faster than the economy in general, and many chains are expanding as quickly as they can find locations and train staff. American products in retail include poultry, pork, popcorn, raisins, U.S. apples and pears, Californian wines, whiskeys and bourbons.

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[RS]

Overview of Russia's latest trends in retail

Retailing in Russia is very much dominated by domestic chains. Multinationals have a significant segment, but not the market size of their domestic counterparts. Acquisitions and mergers are the big new trend. Russia's largest supermarket chains, Perekryostok and Pyatyorechka, completed a merger on May 19, 2006, creating the largest food retailer in Russia. The new holding company has a brand name X5 and comprises 1,013 company-managed stores, with the net selling space of 429,000 square meters and net sales of $2.3 billion in 2005. Many retailers admit that the Moscow market is coming to a point of saturation, particularly in terms of selling space and they are moving to the regions and to other countries.

Russian customers more and more resemble to Europeans: they value quality and assortment, while price is becoming less important. With their incomes growing, more people prefer to buy prepared foods that are ready-to-eat. Most large retail chains have special plants to clean, prepare and package foods like vegetables into ready-to-eat portions. Stores have their own bakeries, which every day produce fresh breads, pizzas, and lasagnas, and in the meat section marinated, fresh cutlets, raviolis, and schnitzels, are everywhere. Russian consumers love fresh products and they are very profitable and bring some stores half their profits, in several store sections. There are many counters with fresh breads, dairy and cheeses, meats, pastas, soups and salads. Very profitable are the private-labeled products. Lots of retailers sell domestically produced international brands, and this saves international companies the costs of customs fees, and even the cost of labor which is generally lower in Russia than in the West.

One new trend is that the retail chains now start preparations for the holiday season early and daily revenues grow 50 percent at this season. This tendency has been increasing for the last five years as the Russian economy has risen. One store has inspectors that visit each chain to ensure they are fully decorated by Nov. 10 for the New Year holidays. Spirits, wines, chocolates, cheeses, and luxury foods are in high demand at the end of the year.

American products are not unknown in the Russian chains; you can find U.S. poultry, pork, popcorn, raisins, and U.S. apples and pears that are unbeatable in the winter period. Californian wines, whiskeys and bourbons are gaining more and more popularity; in fact this concerns the European alcohol producers, who are noticing that these products are moving onto the shelves.

For an American company wanting to be represented on the Russian market at a retail chain, the best way is to do it by having a representation/distributor company. In Russia you can expect to have to market your goods to retail customers, alongside your importer.

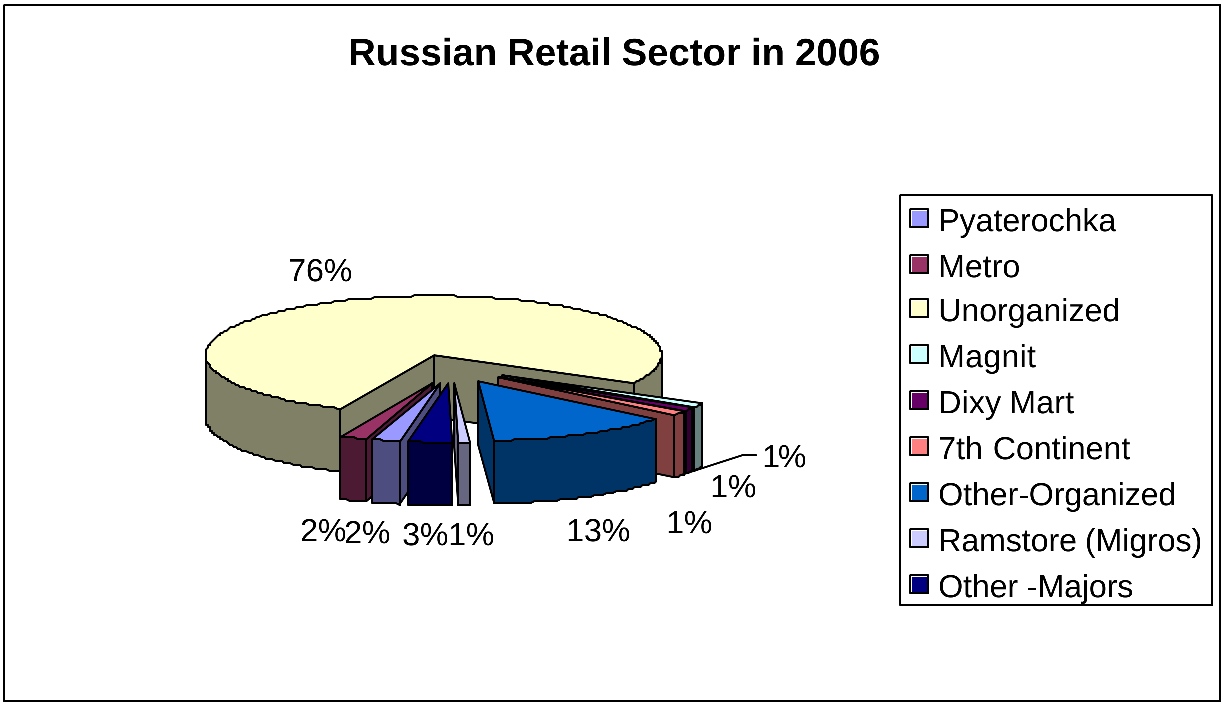
Many Russian retail contacts think that Russian consumers need to have a broader idea of American products, because at the moment it is limited.

To learn about the above-mentioned trends, the ATO interviewed the top management of several retail chains:

<u>Multiple-store chain, large nation-wide network.</u> Consumers at the firm report that this chain has 300-400 regular suppliers. The average number of SKUs represented in the store is 30 000 units. The chain has 800 private labeled products. The average check at the store is RUR 400 ($15). This chain does not import, but works with distributors. Listing fees can be expensive.

Small Moscow-based chain, upscale. Another important player in Moscow is oriented on a wealthier crowd. Their slogan is "freshness, variety, service, location, price". Their stores have the format of a food boutique. The average check is RUR 1,000 ($38). The company is interested in exclusive products from the U.S., particularly spices, seasonings and eco products and they are looking for contacts. They observe that there's no distributor in Russia of American products in any category, and think America could do better if it had more specialized distributors of its products. This chain waives listing fees if a product is unique and of high quality.

Large, Moscow-based middle/upper class chain, This large Moscow based retail giant in the Russian retail industry is growing 40 percent a year with $1 billion turnover and has 121 stores in Moscow alone. The average check, RUR 450-500 ($17-19) is slightly higher than Case 1, but is 2 times lower than in Case 2, above. The company carefully selects retail space for several different formats, adjusting its format up for Moscow's exclusive neighborhoods.



Source: Emerging Economies Research 2006.

2. Market economic summary and trends

According to Euromonitor, the food sector in Russia experienced an Annual Average Growth Rate of approximately 21 percent during the period 2001-2005. These high growth rates were achieved due to increased prosperity and a low starting base. Analysts expect the annual growth rate for the food retail sector to be 8 percent between the periods 2006-2010.

Retailing is one of the fastest growing areas of the Russian economy. According to Goskomstat, in 2005 constant value GDP in local currency grew by 6% while retailing sales increased by 4% in constant terms and by 12% in current terms. Retailing sales in US dollar terms also grew faster since 2003 due to the gradual decrease of the US dollar exchange rate. According to the official statistics of the Russian Federation, retailing accounted for 32% of GDP in 2005.

In 2006 grocery retailing grew by over 21% over the previous year in current value terms and were forecast to reach $80,8 billion.

Table 1. Sales in Retailing by Sector: Value 2000-2005

US$ bn	2000	2001	2002	2003	2004	2005
Grocery retailers	31.5	37.5	45.1	53.7	62.4	71.7
Non-grocery retailers	41.4	47.0	53.7	61.1	69.1	77.2
Store-based retailing	72.9	84.5	98.8	114.8	131.6	148.9
Vending	0.0	0.0	0.0	0.0	0.1	0.1
Homeshopping	0.1	0.1	0.1	0.1	0.1	0.1
Internet retailing	0.1	0.1	0.2	0.4	0.6	0.8
Direct selling	0.4	0.6	0.9	1.4	1.8	2.1
Non-store retailing	0.5	0.8	1.2	1.9	2.5	3.1
Retailing	73.4	85.3	100.0	116.7	134.1	152.0

Source: Official statistics (Goskomstat), trade associations(National Trade Association, Association of Direct Sales, National Association of E-commerce Participants), trade and business press (Vedomosti, Retail.ru), trade interviews, Euromonitor International estimates

Table 2. Forecast Sales in Retailing by Sector: Value 2005-2010

US$ bn	2005	2006	2007	2008	2009	2010
Grocery retailers	71.7	80.8	89.5	98.2	106.4	114.9
Non-grocery retailers	77.2	85.1	92.8	99.9	106.4	112.7
Store-based retailing	148.9	165.9	182.3	198.1	212.9	227.6
Vending	0.1	0.2	0.4	0.5	0.7	0.9
Homeshopping	0.1	0.1	0.1	0.1	0.1	0.1
Internet retailing	0.8	1.0	1.2	1.4	1.7	1.9
Direct selling	2.1	2.4	2.7	3.0	3.3	3.6
Non-store retailing	3.1	3.7	4.4	5.1	5.9	6.5
Retailing	152.0	169.6	186.7	203.2	218.7	234.1

Source: Official statistics (Goskomstat), trade associations (National Trade Association, Association of Direct Sales, National Association of E-commerce Participants), trade and business press (Vedomosti, Retail.ru), trade interviews, Euromonitor International

According to Euromonitor, International, retailing accounts for a significant share of foreign investments in Russia. According to official statistics, trade and service industry (including foodservice, wholesalers, cash and carry, retailers and distributors of non-consumer goods) received 38 percent of all direct foreign investments into Russia in 2005, at a sum of over $20 billion. Similar large shares of direct foreign investments of 32-45 percent were recorded annually by the trade and service industry from 2002 to 2004.

According to Euromonitor, the current legislative environment is favorable for the development of most retail channels in Russia. However local government authorities helped to decrease the number of unorganized outdoor markets, stalls and kiosks without proper registration during the review period. Local government policies are instead directed towards the construction of modern retail and entertainment centers in place of old-fashion outdoor markets. Consequently, in 2006 the Moscow Government plans to reorganize 69 outdoor markets. By the end of 2005, 4,000 kiosks and pavilions were demolished and re-housed to new modern premises in St Petersburg according to the government's instructions. Big multiple retailers can meanwhile easily establish good relationships with government authorities, which help them to develop rapidly in Russia.

According to Euromonitor, discounters and hypermarkets are the fastest growing in grocery retailers. Recently established formats of grocery retailers include discounters and hypermarkets. These began to develop actively since 1999. Russian consumers are fond of buying at discounters due to the channel's lower prices, whereas high- and middle-income households prefer to do a big family shop once a week and thus favour hypermarkets. Both discounters and hypermarkets offer family packs at lower prices. However discounters compete by offering lower prices compared to hypermarkets, which focuses on middle- and high-income consumers and offers a bigger assortment and larger parking facilities.

According to Euromonitor, Grocery retailers are winning a stronger position in retailing. This is due to the increasing range of non-food items offered by supermarkets, hypermarkets, discounters and independent grocers. During the review period, supermarkets, independent grocers and discounters began to offer an increased range of cosmetics, household care, souvenirs, crockery and toys. Hypermarkets meanwhile began to offer an increased range of clothes, consumer electronics, cosmetics and toiletries, household care, crockery and toys.

3. Retail situation in selected regions:

A. North Western Region

According to the Russian State Statistics Service, in 2005 retail sales (food and non-food) in the NW region totaled $23.3 billion, which is 12 percent more than in 2004. NW region represents about 9 percent of total Russian turnover. Most of the region's sales occur in St. Petersburg, where food retail sales were $3.9 billion in 2005, or just under half of total retail sales. Other areas of the region are not as populated and show smaller volumes of consumption (see table).

Table 1. Growth in Retailing in Northwest Russia, 2003-2005.

Area	2003, billion $	2004, billion $	2005, billion $	2005/2004, % *
NW region	**15.7**	**19**	**23.3**	**111.9**
Karelia republic	0.75	0.92	1.08	108.4
Komi republic	1.66	2.07	2.56	112.5
Arkhangelsk	1.35	1.66	2.03	112.5
Vologda	1	1.17	1.34	103.7
Kaliningrad	0.73	1.08	1.39	115.2
Leningrad oblast	1.15	1.43	1.9	118.3
Murmansk	1.29	1.48	1.72	107.4
Novgorod	0.59	0.68	0.83	111.1
Pskov	0.59	0.85	1.07	108.2
St. Petersburg	**6.62**	**7.64**	**9.3**	**112.9**

* with regards to inflation

Retailing in NW Russia is undertaken to a great extent by formal retailing, unlike most of Russia. Regarding the structure of the market, 69 percent of sales are by medium to large size enterprises or chains, 16 percent are by small business, eight percent are from markets/rynoks, and individual sell just 7 percent of the goods. Chains operate close to 2000 stores in St. Petersburg including: Pyatyorechka www.e5.ru (206 stores), Karusel www.ka5.ru (11 hypermarkets), OKEY www.okmarket.ru (10 hypermarkets), Lenta www.lenta.com (10 cash & carry marts) Megamart (5 supermarkets). Other food retail chains represented in St. Petersburg are: Metro, Magnit, Perekryostok, Auchan, Ramstore, Dixi, 7th Continent, Kopeika, Victoria, Deshevo, Paterson.

Retail sales area per capita has reached 395 m^2 per 1000 citizens, which is 2.5 times lower than in developed European countries. Experts forecast that the number will grow to 520 m^2 by 2008. A survey of consumers by St. Petersburg research company ComCon SPb shows that 38 percent of St. Petersburg citizens spend less than $40 a week on purchasing food, 46 percent spend from $41 to $110, 16 percent more than $111 a week. According to most experts, growth of the modern retail outlets in St. Petersburg has been slowed by a shortage of land in the city for development, while most available new store plots available are located in the city's outskirts. The logistics sector for transportation, warehousing and distribution is not yet well developed, causing slower retail growth. The region is becoming more experienced with distribution logistics and improvements will come from better city administration policy. Most retail operators are involved at present in constructing distribution centers to serve their needs.

B. Far Eastern Region

Retail trade remains one of the top performing industries of the Russian Far East (RFE) economy. RFE retail turnover reached $10.5 billion, up 11.9 percent in comparison with 2004. Food comprised 50.5 percent of all retail sales and reached U.S. $5.3 billion in 2005. The retail and wholesale trade are rapidly developing in the region. Within two years the retail volume increased by more than 20 percent.

The income per capita in most RFE areas exceeds the Russian average and in some regions is U.S. $5,064 per year. The Far East stands third in monthly per capita income after the Central and Urals federal districts. Six of nine Russian Far East territories are among Russia's 20 top regions by monthly per capita income. The retail system in the Russian Far East dealing with foodstuffs and consumer products includes five main formats: supermarkets, convenience stores, discount stores, and markets/rynoks. The supermarkets and renovated self-service stores have increased their sales volume within the last several years, overtaking outdoor market places and kiosks. International and federal retail chains are not present in the market, but there are around ten local players in the RFE with strong business growth and professional chain management.

Food processing companies have created their own retail outlets for product distribution. VladKhleb, the biggest bakery in the RFE has five supermarkets and 25 convenience stores. Ratimir, the meat processing holding company, has a chain of eight stores, and three are opening soon.

Another retail segment to watch are the local chains with an assortment not less that 15,000 items, free parking places, and between 800-to 4,500 sq. meters sales space. These stores include V-Lazer (three supermarkets), 24 Hours (10 supermarkets), and TTPK (7 supermarkets). Experts remark that international and Moscow retail chains are not interested in coming to the RFE given the big distances from Moscow. They are too busy opening in the large cities in Western and Central Russia. Some contacts consider the local retail chains will be absorbed by Muscovites within the next 3-5 years. Russian Far East retail chains are expanding to the neighboring territories and creating interregional RFE networks. Last year, Vladivostok based chain V-Laser opened stores in Magadan, Khabarovsk, and Yuzhno-Sakhalinsk.

4. Advantages and challenges for the U.S. Exporters

Advantages	***Challenges***
Continuing growth of constant value incomes, a GDP increase and reducing unemployment boosted consumer economic confidence.	Due to a lack of information from the U.S. many Russian consumers have a negative attitude towards American food products, considering them to be unhealthy.
Russia is a large size grocery retail market at present worth $80.8 billion and 142.8 million potential consumers.	After the increase of economy and per capita incomes, there is a risk that a significant slowdown could impact the retail sector.
Russian consumers demand better quality food products and beverages, as well as a greater variety of products.	Most Russian consumers are loyal to domestic and often local producers (some polls find that 70% of Russians prefer domestic products if they can find the product.
Expanding retail chains offer a large variety of products with the aim to be able to compete in the current market.	Retailers seldom import products directly, preferring to rely on local importers/distributors.
Increasing competition forces Russian retail food chains to search for new ways of strengthening their positions; sales of new, innovative food products being one approach.	Russian producers started aggressive expansion of retail food market of convenience products.
Russian consumers increasing demand healthy and nutritious, enriching foods.	Russian consumers' incomes are growing in general, yet sometimes not sufficient enough to catch up with current inflation. Outside Moscow many consumers still have very limited budgets.

SECTION II. ROAD MAP FOR MARKET ENTRY

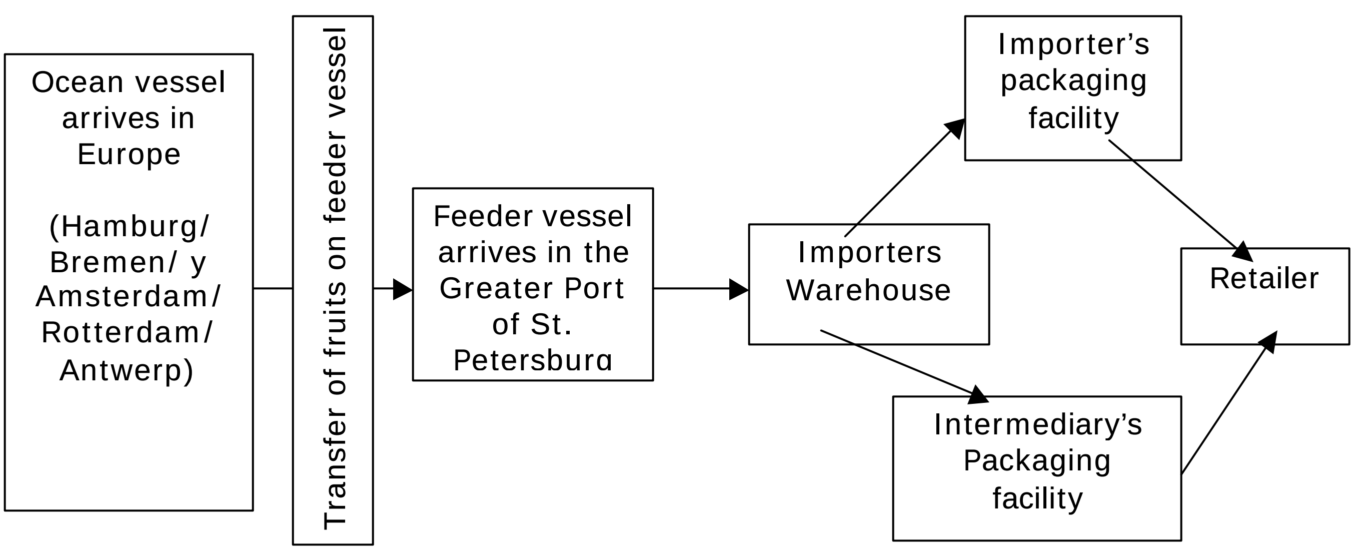
II A. Advice to exporters

While the best entry strategy for new-to-market exporters depends on their goals, the following are several main recommendations for a more successful entry into the Russian market:

- One of the main challenges to overcome while entering a new market is the absence of information about a newly launched product. Most Russian consumers and retailers are unaware about the quality characteristics of U.S. food products. The least expensive way in this respect is to participate in specialized exhibitions. ATO Moscow invites all companies interested in promoting their products in Russia to join us at World Food in September, the largest general food and beverage trade show. Virtually all large food and beverage producers, as well as importers, participate in this show. If market entry is aimed at regions, participation in regional exhibitions is recommended; the participation fee for regional exhibitions is much lower, and such exhibitions are aimed at local consumers and retail food chains.

- Representatives of the major retail chains of Moscow state that the best way for the foreign exporter to conduct their business in Russia is to have its own representative office (RO) in Russia. Otherwise, it should have a well-established contact with a Russian importer, which becomes especially important if the exporter operates without an RO. Having a local partner in Russia significantly widens business opportunities, as there is no need for establishing direct contacts with a large number of retail chains. The choice of such a company should be based on references from retail chains. Besides, a local Russian partner could help in solving different problems, as often business at the Russian market depends on personal relationships. Moreover, local Russian partners help the exporter understand local market conditions, for better decision-making, which would, undoubtedly, make the difference between success and failure of your business in the market in general.
- The exporter must market the products they sell. The Russian importer and wholesaler will expect the exporter's participation in the sales process, either by providing event marketing support, advertising assistance, training, packaging/handling advice, and point of sales materials. Selling to retailers is competitive in Russia; it is important to build time in your calendar to visit and earmark funds in your sales plan for marketing.
- Besides having a local business partner, it is also necessary to establish direct contacts with Russian and foreign retail chains, especially with large and rapidly developing ones. The best location for such a RO is Moscow, where a large number of retail companies and representative offices are concentrated. Most large distribution networks have their representative offices in Moscow.

Table A. Food retail distribution channels



II B. Existing retail sales outlet formats in Russia

The following retail sales outlet formats exist in the Russian market:

- **Hypermarket.** A store with retail space of over 2,500 sq. meters, where not less than 35 percent of the space is used for sales of non-food products. As a rule, a hypermarket is located in the outskirts of large cities, or is the key lessee of a large trading center inside the city (e.g. Mosmart, O'Kay, Auchan).
- **Supermarket.** A retail outlet with sales space from 400 to 2,500 sq. meters, where 70 percent of products are food products and day-to-day goods (e.g. "Perekryostok", "Pitersky", "Patterson", "Max-Mix").
- **Cash&Carry.** A retail outlet of 1,500 sq. meters, working under the principles of small wholesales (e.g. "Lenta", "Metro").
- **Discounter.** As a rule, is a store with sales space from 300 to 900 sq. meters, where the range of products varies from 1,000 to 4,000 items, and most popular goods are low priced. (e.g. "Nakhodka", "Kvartal", "Pyatyorochka", "Kopeika", "Diksi").
- **Convenience stores.** A retail outlet with small sales space (up to 300 sq. meters), located in residential areas of the city or at gas stations. The store serves the local market, and is often open 24 hours. In Russia, such retail sales points have just started to develop substituting more and more kiosks located in city microdistricts. ("ABK" (Moscow), "Samokhval" (Moscow)).
- **Coordinated Sales Space.** Retail space - up to 10,000 sq. meters with a large number of independent retail operators sharing a building's sales floor and each offering a wide range of products

SECTION III. COMPETITION

Table G. Major Supply Sources For Selected Product Categories, Jan.-June 2006*

Commodity (Country Rank)		Country	2006 Percent Share**
Fresh fruits			
Net imports (T)	1	Ecuador	21.66
1,946,499	2	Argentina	9.22
Dollar value	3	Morocco	8.83
1,060,258,289	4	Turkey	8.59
	5	Poland	7.23
	6	China	6.56
	7	Egypt	4.5
**If U.S. is not listed, share is less than 1%			
Fresh vegetables			
Net imports (T)	1	Netherlands	23.13
1,348,429	2	China	15.99
Dollar value	3	Uzbekistan	10.33
519,241,597	4	Turkey	8.77
	5	Egypt	6.51
	6	Kazakhstan	6.19
	7	Azerbaijan	5.56
	8	Israel	5.09
Pet food			
Net imports (T)	1	Hungary	42.04

42,064	2	Germany	9.82
Dollar value	3	Austria	9.64
45,966,175	4	United States	9.56
	5	Netherlands	8.3
	6	Lithuania	6.46
	7	Denmark	5.36
	8	France	4.68
Poultry			
Net imports (T)	1	United States	71.51
582,727	2	Brazil	15.74
Dollar value	3	Germany	4.11
384,496,244	4	France	3.38
Processed fruits and vegetables			
Net imports	1	China	20.03
766,134 **(T)**	2	Poland	12.91
Dollar value	3	India	8.55
428,049,095	4	Hungary	7.54
	5	Thailand	6.32
	6	Spain	5.22
	7	Ukraine	4.42
	8	Iran	4.31
Rice			
Net imports (T)	1	China	33.16
205,371	2	Vietnam	22.71
Dollar value	3	Pakistan	12.27
63,565,375	4	India	11.38
	5	Thailand	9.82
	6	Kazakhstan	5.55
	7	Egypt	2.57
	8	Belgium	1.15
	9	United States	1.1
Red meat (fresh, frozen, chilled)			
Net imports (T)	1	Brazil	27.38
660,688	2	Denmark	11.56
Dollar value	3	Argentina	10.27
1,074,700,512	4	Germany	8.54
	5	United States	6.17
Salmon			
Net imports (T)	1	Norway	64.85
21,162	2	United Kingdom	10.07
Dollar value	3	Iceland	6
64,895,894	4	Chile	4.72
	5	Estonia	3.49
	6	Faroe Islands	3.33
	7	United States	1.43
Seafood			

Net imports (T)	1	Norway	26.52
376,246	2	Iceland	8.63
Dollar value	3	Vietnam	7.21
551,951,519	4	Estonia	6.69
	5	China	6.54
	6	Mauritania	4.85
	7	United Kingdom	4.3
	8	Denmark	4.28
	9	Latvia	3.53
	10	Kazakhstan	2.75
	11	Canada	2.61
	12	Chile	2.53
	13	Argentina	2.49
	14	United States	2.32
Snack Foods			
Net imports (T)	1	Ukraine	42.58
98,909	2	Poland	12.25
Dollar value	3	Germany	9.93
192,112,851	4	Netherlands	4.77
	5	China	4.43
	6	Turkey	4.37
Tree nuts			
Net imports (T)	1	Iran	29.79
24,906	2	United States	15.12
Dollar value	3	Indonesia	11.11
66,714,819	4	Azerbaijan	6.9
	5	Ukraine	5.79
	6	Philippines	5.1
	7	India	5.1
	8	Turkey	4.77
	9	Vietnam	4.36
Wine and beer			
Net imports (T)	1	Ukraine	38.37
317,609,807	2	Moldova	14.74
Dollar value	3	Spain	9.45
249,505,379	4	France	9.13
	5	Bulgaria	6.65
	6	Argentina	3.46

* Data for January to June 2006 taken from the Global Trade Atlas, www.gtis.com/gta, on December 11, 2006,

SECTION IV. BEST PRODUCT PROSPECTS

Russia's imports from the United States, while dominated by poultry, are increasingly diverse as the market develops. The value of poultry imports by Russia was down due to a global slump in prices, but volumes were steady. Other exports showed significant gains. The top U.S. food products exported to Russia in 2005 and the first half of 2006 are as follows: poultry, pork, nuts, especially almonds and pistachios, fish and seafood, fresh fruit and vegetables, wine and spirits, and snacks, including popcorn. Exports are expected to increase as major trade barriers are removed by Russia's WTO accession.

Overall red meat exports are up in 2006 due to the surge in pork, jumping 125 percent last year. Almonds, seafood and snack foods all grew impressively last year and have a bright future. While fresh fruits and wine sales appear to be quite moderate, official statistics underreport this trade due to heavy transshipments to Russia through Europe.

Of particular note is the growing market in Russia for American apples and pears. Russian customers prefer the larger sizes of apples and pears grown in the U.S. In addition, because of their long shelf life, American apples and pears have little competition during the winter. The leading American apple in Russia is Red Delicious, with strong demand also for Golden Delicious and Braeburn. Granny Smith apples are not preferred because they are perceived to have "yellow sunburn." The most popular American pears are Green Anjou, Red Anjou and Bartlett. New opportunities exist for specialty products like gourmet cheese and healthy snacks like "apple chips." These crispy and lightly sweetened dried apples were extremely popular during World Food 2006 Trade Show. Russian consumers are sophisticated today and they like new, innovative products.

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To learn more about USDA/FAS AND ATO services please visit http://eng.usda.ru.

OTHER MARKET REPORTS

Attache reports on the Russian food and agricultural market are also available on the FAS website www.fas.usda.gov/attache.

OTHER USEFUL CONTACTS:

ATO Russia works with a large number of U.S. industry organizations, some of which have local offices to assist U.S. exporters of these food and agricultural products. Find these contacts at eng.usda.ru.

U.S. Poultry and Egg Export Council (USAPEEC)
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Washington Apple Commission
Moscow office:
office@bestapples.ru
Vladivostok office:
katerina@newmark.ru

Almond Board of California
E-mail: Irina.Koziy@mail.ru

Pet Food Institute
E-mail: agerman@globalworks.ru

National Renderers Association
E-mail: lischenko@ane.ru

Another good source for information on doing business in Russia, the American Chamber of Commerce, has offices in Moscow and St. Petersburg:

American Chamber of Commerce in Russia (AmCham)
Ul. Dolgorukovskaya, Building 7, 14th floor
127006 Moscow, Russia
Tel: 7 (495) 961-2141; Fax: 7 (495) 961-2142
Email: amchamru@amcham.ru

American Chamber of Commerce in St. Petersburg
25 Nevsky Prospect, 3rd Floor
191186 St. Petersburg, Russia
Tel: 7 (812) 326-2590; Fax: 7 (812) 326-2591 or 326-2561
Email: st.pete@amcham.ru

For questions on agricultural machinery, food processing and packaging equipment/materials, refrigeration equipment, etc., please contact:

U.S. and Foreign Commercial Service
Bldg. 2, 23/38 Bolshaya Molchanovka
121069 Moscow, Russia
Tel: 7 (495) 737-5030; Fax: 7 (495) 737-5033
E-mail: moscow.office.box@mail.doc.gov
moscow.office.box@mail.doc.gov

Attachment 1. United States – Russian Trade Through September 2006

	JANUARY – DECEMBER VALUES IN 1000 DOLLARS					JANUARY - SEPTEMBER COMPARISONS		
Commodities	2001	2002	2003	2004	2005	2005	2006	%CHNG
POULTRY MEAT	**666,213**	**373,021**	**383,513**	**534,454**	**669,667**	**443,030**	**340,837**	**-23.07**
RED MEATS, FR/CH/FR	90,206	79,613	60,546	38,812	67,800	51,174	115,007	124.74
TOBACCO	42,666	11,998	6,814	71,212	65,762	50,610	23,061	-54.43
OTHER INTERMEDIATE	13,241	15,792	38,615	31,044	40,133	28,753	36,617	27.35
OTHER SEAFOOD	3,879	5,494	4,886	19,432	34,662	25,904	28,458	9.86
TREE NUTS	6,584	8,251	16,841	27,404	34,279	17,213	19,655	14.19
OTHER CONSUMER ORIENTED	6,039	7,210	23,356	32,760	23,571	17,235	10,914	-36.68
FRESH FRUIT	2,437	1,514	2,139	6,327	9,994	6,172	4,180	-32.27
SNACK FOODS	2,661	3,433	7,968	15,049	9,192	5,600	7,344	31.14
HIDES & SKINS	322	163	468	966	5,036	3,141	3,785	20.5
PLANTING SEEDS	386	153	358	1,122	4,872	3,531	3,585	1.53
PROCESSED FRUIT & VEG	4,814	5,931	4,404	5,519	4,834	3,257	4,587	40.84
DAIRY PRODUCTS	7,447	826	704	1,386	4,792	3,924	3,379	-13.89
PET FOODS	787	650	1,046	2,365	4,697	2,472	5,505	122.69
SOYBEAN MEAL	21,834	23,033	12,454	5,126	4,534	4,506	6,232	38.3
ANIMAL FATS	7,098	4,470	3,568	1,129	3,900	3,025	940	-68.93
SALMON WHOLE/EVIS	121	595	654	3,026	3,170	2,742	4,739	72.83
RICE	4,385	630	1,716	1,766	2,397	1,803	2,630	45.87
ROE/URCHIN/FISH EGGS	1,714	4,466	5,011	1,458	2,366	1,544	815	-47.22
VEGETABLE OILS (EX SOY)	7,718	1,459	2,090	3,139	2,317	2,115	973	-54
WINE AND BEER	1,109	1,185	1,118	1,810	2,200	1,708	1,552	-9.13
FEEDS & FODDERS	1,323	29	3,955	1,202	2,197	1,303	1,099	-15.66
OTHER BULK	3,782	352	569	789	2,133	1,633	1,624	-0.55
PANEL/PLYWOOD PRODUCTS	413	1,170	1,294	1,774	1,813	1,234	1,121	-9.16
RED MEATS, PREP/PRES	2,772	929	375	1,272	1,713	376	937	149.2
PEANUTS	52	762	760	1,448	1,693	1,188	6,295	429.88
OTHER WOOD PRODUCTS	839	957	744	671	1,341	1,085	912	-15.94
FRESH VEGETABLES	1,409	470	381	699	1,089	84	303	260.71
SURIMI (FISH PASTE)	2,676	240	0	1,080	1,038	1,038	769	-25.92
SUGAR, SWEETNER, BASES	1,016	1,483	1,486	2,073	767	659	731	10.93
COARSE GRAINS	8,360	1,125	641	8,606	594	594	1,689	184.34
WHEAT FLOUR	3,760	77	1,359	888	588	588	267	-54.59
CRAB & MEAT	110	49	50	34	554	422	634	50.24
EGGS & PRODUCTS	736	303	68	143	518	77	576	648.05
BREAKFAST CEREALS	274	142	65	247	420	319	228	-28.53
HARDWOOD LUMBER	0	0	362	150	234	234	219	-6.41
LIVE ANIMALS	351	423	665	1,357	169	90	1,027	1041.11
FRUIT & VEG JUICES	232	182	320	131	163	161	55	-65.84

PULSES	6,143	0	0	0	155	112	50	-55.36
SALMON CANNED	0	272	47	0	115	115	90	-21.74
LOGS AND CHIPS	0	0	0	0	42	4	40	900
SOFT/TREATED LUMBER	28	3	0	9	16	0	0	--
NURSERY PRODUCTS	197	16	9	115	10	6	0	--
COTTON	8	0	224	0	0	0	0	--
SOYBEAN OIL	302	36	0	1,608	0	0	0	--
WHEAT	0	5,902	0	0	0	0	0	--
TOTAL	**926,450**	**564,810**	**591,641**	**829,599**	**1,017,537**	**690,781**	**643,461**	**-6.85**

Data Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics